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Ogilvy & Mather

International Inc., Advertising

ANNUAL REPORT 1968



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Ogilvy & Mather has 14 offices in 8 countries.

Here are their addresses:

NEW YORK

Ogilvy & Mather Inc.
2 East 48 Street

ATLANTA

235 Peachtree Street N.E.

CHICAGO

500 No. Michigan Avenue

SAN FRANCISCO

235 Montgomery Street

HOLLYWOOD

6565 Sunset Boulevard

LONDON

Ogilvy & Mather Ltd.
Brettenham House
Lancaster Place W.C. 2

FRANKFURT

Heumann, Ogilvy & Mather
G.m.b.H. & Co.
Fellnerstrasse 7

TORONTO

Ogilvy & Mather (Canada) Ltd.
88 University Avenue

MONTREAL

Place du Canada

VIENNA

Ogilvy & Mather Ges. m. b. H.
Franz Josefs Kai 47

MILAN

Ogilvy & Mather S.p.A.
Piazza Santa Maria Beltrade 1

PARIS

Ogilvy & Mather International Inc.
129 Champs Elysées

MELBOURNE

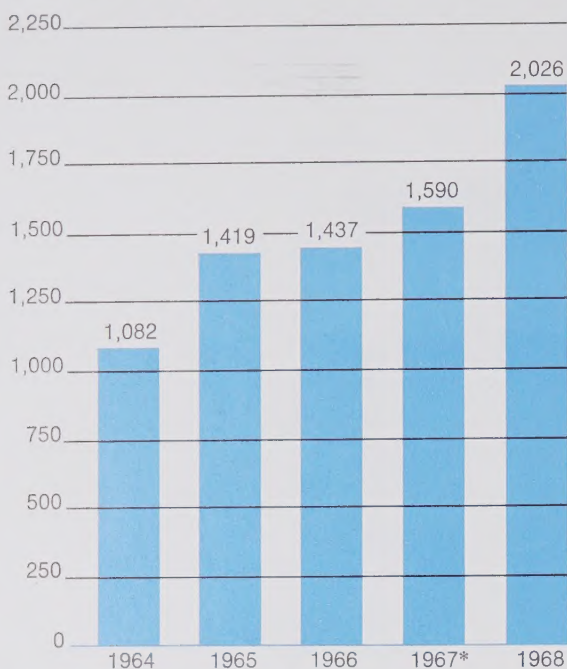
Ogilvy & Mather (Australia) Pty., Ltd.
566 St. Kilda Road

SYDNEY

I.C.I. House
69 Macquarie Street

OPERATING INCOME

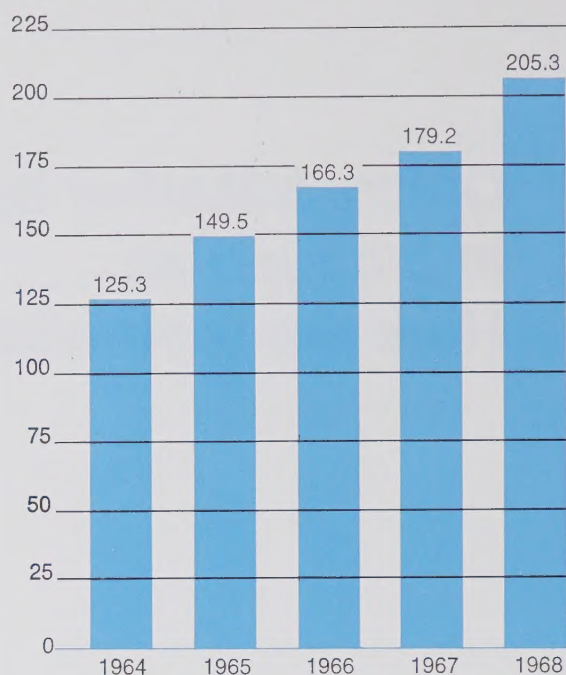
THOUSANDS OF DOLLARS



*Before extraordinary charge of \$253,019 arising from the devaluation of the British pound.

BILLINGS

MILLIONS OF DOLLARS



FIVE YEAR EARNINGS SUMMARY

THOUSANDS OF DOLLARS

	YEAR ENDED DECEMBER 31,				
	1964	1965	1966	1967	1968
Gross billings	\$125,281	\$149,488	\$166,300	\$179,209	\$205,254
Fee and commission income	\$ 20,225	\$ 23,741	\$ 26,675	\$ 28,804	\$ 32,041
Other income, net	220	236	263	289	363
	<u>20,445</u>	<u>23,977</u>	<u>26,938</u>	<u>29,093</u>	<u>32,404</u>
Salaries & other employee benefits	12,682	14,459	16,486	17,775	19,623
Office, general and other expenses	5,344	6,590	7,361	7,977	8,271
Minority interest	100	117	42	33	50
	<u>18,126</u>	<u>21,166</u>	<u>23,889</u>	<u>25,785</u>	<u>27,944</u>
Income before taxes	<u>2,319</u>	<u>2,811</u>	<u>3,049</u>	<u>3,308</u>	<u>4,460</u>
Provision for taxes on income					
United States	564	644	1,146	1,136	1,773
Foreign	673	748	466	582	661
	<u>1,237</u>	<u>1,392</u>	<u>1,612</u>	<u>1,718</u>	<u>2,434</u>
Income before extraordinary charge	1,082	1,419	1,437	1,590	2,026
Extraordinary charge				253	
Net income	<u>\$ 1,082</u>	<u>\$ 1,419</u>	<u>\$ 1,437</u>	<u>\$ 1,337</u>	<u>\$ 2,026</u>
Per share—Income before					
extraordinary charge	\$.97	\$ 1.31	\$ 1.32	\$ 1.46	\$ 1.86
—Extraordinary charge				.23	
—Net income	<u>\$.97</u>	<u>\$ 1.31</u>	<u>\$ 1.32</u>	<u>\$ 1.23</u>	<u>\$ 1.86</u>
—Dividends*		<u>\$.20</u>	<u>\$.30</u>	<u>\$.47½</u>	<u>\$.50</u>

*Dividends paid after formation of the Company.



DAVID OGILVY
Chairman, O&M International



DONALD ATKINS
Vice-Chairman, O&M International

1968 was our most successful year so far

1968 was a year of unprecedented growth for Ogilvy & Mather International.

Our operating income increased by 27 percent to \$2,026,092, or \$1.86 per share, compared with \$1,589,771, or \$1.46 per share, in 1967. Without the 10% U.S. income tax surcharge, our 1968 earnings would have been fifteen cents more per share.

Our billings increased to \$205,254,489 from \$179,209,499 in 1967, or 14.5 percent.

We paid four quarterly dividends of 12½¢ per share: 50 cents per share for the year.

In the United States, operating income increased 18.7 percent. Seventy-five percent of your company's income was earned within the United States.

Outside the United States, operating income increased 64 percent as a result of more profitable operations in England, Germany and Australia, and the elimination of losses in Switzerland, where we closed our Zurich office.

In each of the eight countries where we have offices, we added new clients. Highlights since our last Annual Report:

Our U.S. office was appointed by International Nickel, the United States Travel Service and, early in 1969, by Owens-Corning Fiberglas and Hershey.

In Britain, new clients included British Rail, Findlater Mackie Todd and Massey-Ferguson. New assignments came from Gillette, Dornay Foods, HP Sauce, Players, and Unilever.

In Canada, the year was notable for a dramatic increase in business from existing clients. Lever awarded us seven more brands; General Foods two more; Johnson & Johnson their largest brand—Modess; and Campbell Soup all the brands which we had not previously been handling.

In Germany, we added nine new accounts and regained an old one, Carstens Champagne.

Other new clients on the European continent included Imperial Chemical Industries in France, Singer in Austria and Centrale del Latte di Milano in Italy.

The thrust of our new Australian office continued. We added 11 accounts, opened a second office, in Sydney, and made a profit in our first full year of operations.

Growth in the U.S.A.

For the fifth consecutive year, Ogilvy & Mather (U.S.) made substantial gains over the preceding year.

Billings increased \$24,281,464 to \$138,425,010, a growth of 21 percent over 1967. This increase was attributable mainly to additional billings from existing clients; these more than offset the loss of the Mead Johnson account, part of the Mars account, and our resignation of the General Dynamics account.

In the three years since a new team was appointed to manage Ogilvy & Mather in the U.S., billings have increased 72 percent and profits 125 percent.

Nevertheless, we have adhered to our policy of controlled growth—*with a limited number of accounts*. In 1965, we had twenty-four clients with billings of \$80,400,000. Today we have only thirty, billing at an annual rate of \$150,000,000.

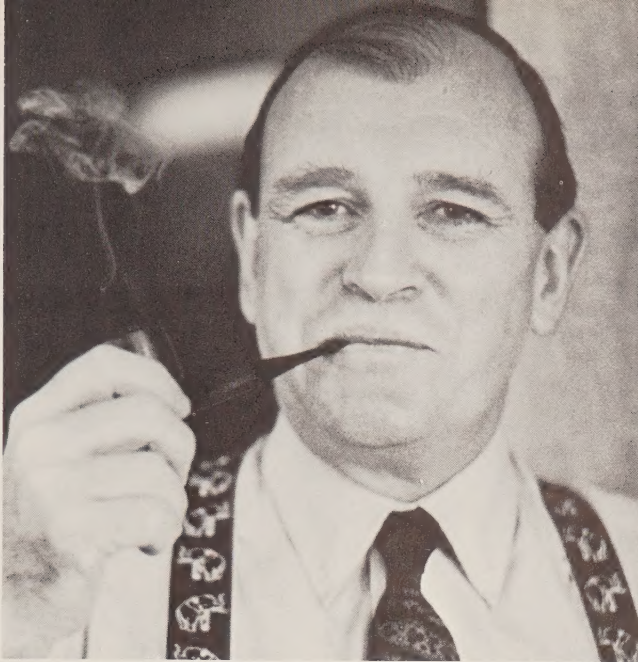
As we have said in previous Annual Reports, growth with present clients is the best testimonial to an agency's performance. We have grown with virtually all our clients, the most striking examples being American Express, Bristol-Myers, General Foods, IBM, Lever Brothers, Sears, Roebuck and Shell.

The most recent of our new accounts, Hershey, is unusually newsworthy. Over the past sixty-six years the name of this company has been a household word—without benefit of advertising. We take special pride in having been appointed Hershey's advertising agency.

Our U. S. company employs 870 men and women. Of these, sixty-three are officers. Since we became a public company three years ago, only four officers of Ogilvy & Mather (U.S.) have resigned to join other agencies. We think that this low turnover of key personnel is one cause of our strength.

Six New York Directors at 1968 Annual Staff Meeting: JOEL RAPHAELSON, Creative Director; MICHAEL G. TURNER, Management Supervisor; WILLIAM B. TAYLOR, Creative Director; ALDEN H. SULGER, Jr., Management Supervisor; ROBERT H. SAVAGE, Management Supervisor; STANLEY D. CANTER, Director Marketing Services





JOHN ELLIOTT, JR.
Chairman, New York



JAMES HEekin, JR.
President, New York

In 1968, fifteen new vice-presidents were elected, fourteen from within the U.S. company and one from outside. We believe in promoting from within, with an occasional transfusion of new blood from outside.

We elected eight new senior vice-presidents, seven of whom had been vice-presidents.

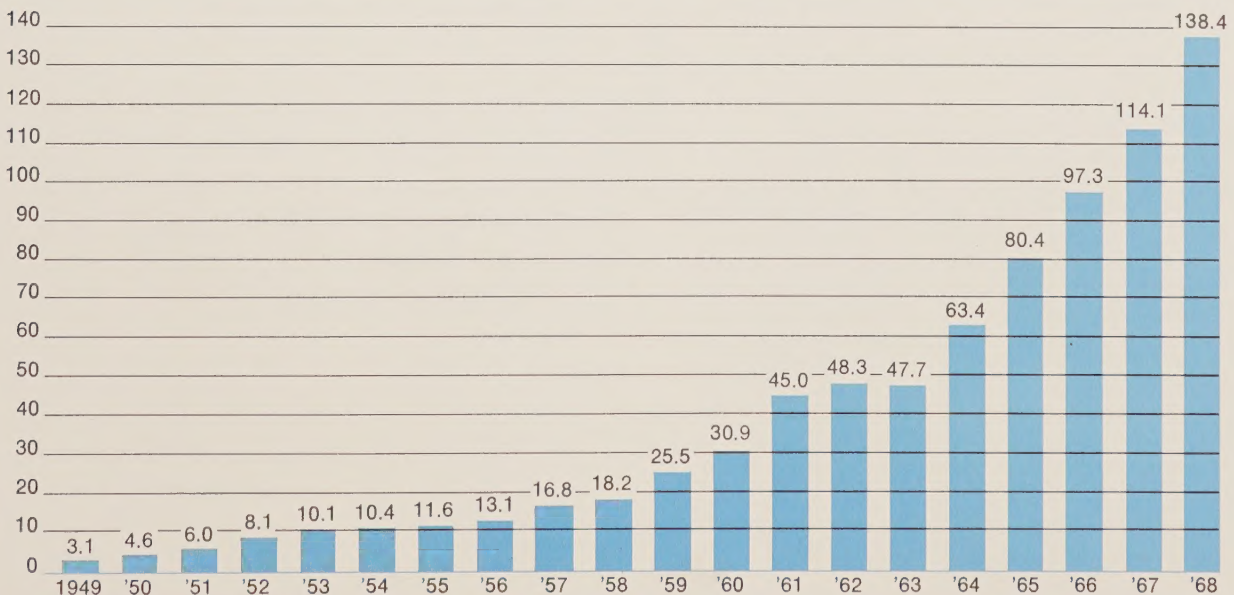
During the year we increased the size of the board of our U.S. company from twelve to seven-

teen—to train more of our people in agency management, to draw on their abilities, and to improve communications within the agency.

We have always had an open-door, non-discriminatory employment policy. However, it became apparent in 1967 that something more was needed; only three percent of our employees were Negro or Puerto Rican—about average for the advertising agency business at that time.

OGILVY & MATHER 20 YEAR BILLINGS GROWTH • NEW YORK

MILLIONS OF DOLLARS



Early in 1968, we instituted a positive action program for recruiting and training members of minority groups. In March, the counsel for the New York City Commission on Human Rights said, "Your program could well serve as the model for the advertising business."

It was, therefore, a little disheartening, a month later, to be cited by the New York State Commission on Human Rights for discriminatory practices. Subsequently, however, the Chairman of that Commission has said, "I would like to publicly commend Ogilvy & Mather for the kind of progress they have shown...they are setting a wonderful example for the rest of the agencies in New York City and around the country."

Today, nine percent of our employees are members of minority groups, and the percentage is in-

creasing. Blacks and Puerto Ricans are adding to our strength in all departments.

This past year, Ogilvy & Mather was again active in public service advertising, working without remuneration for the United Negro College Fund; the Police Athletic League; the Red Cross; and the Advertising Council's "Continue Your Education" program.

* * * * *

During 1968, three directors of Ogilvy & Mather International announced their retirement: E. Esty Stowell, Alan N. Sidnam and Stanhope Shelton.

Two new directors were elected: Henry P. Bernhard, 41, Managing Director of our Frankfurt office, and William E. Phillips, 39, a Management Supervisor in our New York office.

RANKING OF AGENCIES BY DOMESTIC* BILLINGS.

1954

1. JWT
2. Young & Rubicam
3. BBDO
4. McCann-Erickson
5. N. W. Ayer
6. Foote, Cone
7. Benton & Bowles
8. Leo Burnett
9. Kenyon & Eckhardt
10. Grant
10. Dancer
12. Blow
13. Ted Bates
13. William Esty
13. Kudner
16. Cunningham & Walsh
17. D'Arcy
18. Ruthrauff & Ryan
19. Campbell-Ewald
20. Compton
21. Fuller & Smith
22. Erwin Wasey
23. Lennen & Newell
24. MacManus
25. Maxon
26. Needham, Louis
27. Sullivan, Stauffer
28. Cockfield, Brown
29. Brooke, Smith
30. Grey
31. Geyer
32. Campbell-Mithun
32. Norman, Craig
34. D. P. Brother
34. MacLaren
36. Gardner
37. Donahue & Coe
38. Bryan Houston
39. Fletcher Richards
40. Russel Seeds
41. Ketchum, MacLeod
42. Bozell & Jacobs
43. Warwick & Legler
44. Ross Roy
45. Al Paul Lefton
46. Tatham-Laird
47. Mathes
48. Weiss & Geller
49. Albert Frank-Guenther
50. Ellington
51. Roche Williams
52. Geoffrey Wade
53. Buchanan
53. Doremus
55. Doherty, Clifford
56. Buchen
- 57. OGILVY & MATHER**

1959

1. McCann-Erickson
2. JWT
3. BBDO
4. Young & Rubicam
5. Ted Bates
6. Leo Burnett
7. Benton & Bowles
8. N. W. Ayer
9. Dancer-Fitzgerald
10. Kenyon & Eckhardt
11. Foote, Cone
12. Lennen & Newell
13. Campbell-Ewald
14. Compton
15. William Esty
16. D'Arcy
17. Erwin Wasey
18. Cunningham & Walsh
19. Sullivan, Stauffer
20. Grey
21. Fuller & Smith
22. Campbell-Mithun
23. MacManus
24. Needham, Louis
25. Gardner
26. Grant
27. Donahue & Coe
28. Tatham-Laird
29. D. P. Brother
30. Norman, Craig
31. Geyer, Morey
32. Ketchum, MacLeod
33. Doyle Dane
34. MacLaren
35. Cockfield, Brown
36. Maxon
37. Fletcher Richards
- 38. OGILVY & MATHER**
39. Doherty, Clifford
40. Wade
41. Gumbinner
42. Reach, McClinton
43. Warwick & Legler
44. Keyes, Madden
45. Kudner
46. Bozell & Jacobs
47. Mogul, Williams
48. Lambert & Feasley
49. W. B. Doner
50. Parkson
51. Albert Frank-Guenther
52. J. M. Mathes
53. Al Paul Lefton
54. L. W. Frohlich
55. William Douglas McAdams
56. Doremus
57. Kastor, Hilton

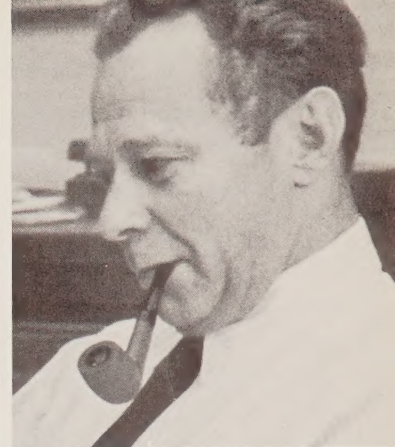
1964

1. JWT
2. Young & Rubicam
3. McCann-Erickson
4. BBDO
5. Ted Bates
6. Leo Burnett
7. Foote, Cone
8. Dancer-Fitzgerald
9. Benton & Bowles
10. N. W. Ayer
11. Lennen & Newell
12. William Esty
13. Campbell-Ewald
14. Doyle Dane
14. Compton
16. D'Arcy
17. Grey
18. Sullivan, Stauffer
19. Kenyon & Eckhardt
- 20. OGILVY & MATHER**
21. MacManus, John
22. Gardner
23. Campbell-Mithun
24. Fuller & Smith
25. Norman, Craig
26. Needham, Louis
27. Geyer, Morey
28. Marschalk
29. Ketchum, MacLeod
30. Erwin Wasey
31. Maxon
32. Cunningham & Walsh
33. West, Weir
34. MacLaren
35. Post-Keyes
36. D. P. Brother
37. Gumbinner-North
38. Tatham-Laird
39. Doherty, Clifford
40. Papert, Koenig
41. Wade
42. Griswold-Eshleman
43. Cockfield, Brown
44. Warwick & Legler
45. Kudner
46. Grant
47. Ross Roy
47. Marsteller
49. L. W. Frohlich
50. Reach, McClinton
51. Kastor, Hilton
52. Edward H. Weiss
53. Albert Frank-Guenther
54. Bozell & Jacobs
54. Doremus
56. Foster
56. Al Paul Lefton

1968

1. JWT
2. Young & Rubicam
3. BBDO
4. McCann-Erickson
5. Leo Burnett
6. Doyle Dane
7. Foote, Cone
8. Ted Bates
9. Grey
10. Dancer-Fitzgerald
11. William Esty
- 12. OGILVY & MATHER**
13. Benton & Bowles
14. Campbell-Ewald
15. N. W. Ayer
16. Compton
17. Lennen & Newell
18. MacManus, John
19. D'Arcy
20. Sullivan, Stauffer
21. Needham, Harper
22. Kenyon & Eckhardt
23. Campbell-Mithun
24. Cunningham & Walsh
25. Ketchum, MacLeod
26. Norman, Craig
27. Marschalk
28. Marsteller
29. Wells, Rich
30. Gardner
31. Fuller & Smith
32. Tatham-Laird
33. Clinton E. Frank
34. Jack Tinker
35. Post Keyes
36. Rumrill-Hoyt
37. North Advertising
38. Erwin Wasey
39. LaRoche, McCaffrey
40. Griswold-Eshleman
41. Clyne Maxon
42. Doremus
43. Geyer-Oswald
44. Albert Frank-Guenther
45. Ross Roy
46. Warwick & Legler
47. Daniel & Charles
48. Bozell & Jacobs
49. Papert, Koenig
50. Reach, McClinton
51. Carson/Roberts
52. Sudler & Hennessey
53. Edward H. Weiss
54. Wunderman, Ricotta
55. Parkson
56. William Douglas McAdams
56. John F. Murray

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JAMES BENSON
Managing Director, London

ANGUS ROSS
Deputy Managing Director, London

HENRY BERNHARD
Managing Director, Frankfurt

ANDREW KERSHAW
Chairman, Toronto

Growth of international operations

Operating profits from our international operations increased 64 percent in 1968.

Our London office increased its operating profit in dollar terms, despite the devaluation of sterling. This was a remarkable performance in the face of increased taxation, and an economic climate that continued to be adverse. It resulted from new business won in 1967 and 1968, from new assignments from existing clients, and from the elimination of unprofitable activities.

On the European continent, 1968 was a year of progress for our Frankfurt office: a gain of ten accounts and 17.5 percent in billings. The principal gain was in the professionalism of our staff which, after a two-year period of reorganization, we now consider to be second to none in Germany.

Henry P. Bernhard, Managing Director of our Frankfurt office, was given the additional responsibility of supervising our Vienna and Milan offices.

Vienna had a disappointing year, with five accounts added and three lost. At year's end, the managing director of our Vienna office resigned and was replaced by Dr. Helmut Zambo, a Viennese executive from our Frankfurt office.

In Milan, 1968 was mainly a year of building staff and services for the future. All the same, it was gratifying to win some new accounts, including "Centrale del Latte di Milano," a government organization for the promotion of milk; many agencies competed for it.

Our Paris office added three accounts and is now responsible, in cooperation with the Publicis Agency, for the French advertising of six of our international clients.

In Canada, growth came not only from many new assignments from present clients, but also from several important new accounts. Andrew Kershaw, Chairman of our Canadian agency, was appointed by the Minister of Consumer and Corporate Affairs to the Canadian Consumer Council.

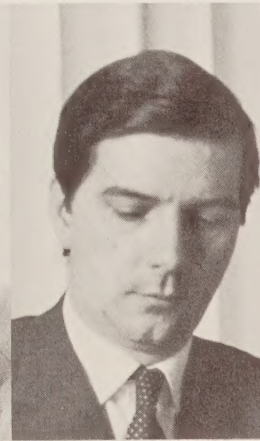
In Australia, our dramatic success continued. Our target was \$5,000,000 in billings at the end of five years. Already, after less than two years, we are billing at an annual rate of more than \$4,000,000—an extraordinary showing since Australia's population is only one-seventeenth that of the U. S.



WILLIAM PHILLIPS
Senior Vice-President,
Management Supervisor,
New York



MICHAEL BALL
Managing Director,
Melbourne



ROBERT LASAGNA
Managing Director, Milan



HELMUT ZAMBO
Managing Director, Vienna

Planning for future growth

An agency's reputation is the forerunner of its future success or failure. A study of the reputation of thirteen leading U.S. agencies has just been completed by Louis Harris and Associates.

The findings are varied and complex. But we think it is worth noting that our peers—executives in other agencies—ranked us at the top as the agency that “*can utilize creativity effectively to sell the client's product.*” This is what advertising is all about.

The continued prosperity of Ogilvy & Mather depends on the vigor and talent of our staff—present and future. We give painstaking attention to the recruitment of able young men and women, to their training, and to their rapid advancement to positions of responsibility.

We believe that training should not be confined to trainees. It should be a continuous process, and should include the entire professional staff of the agency. The more our people learn, the more useful they are to our clients.

Although we make no fetish of youth, it may be of interest that the average age of the *heads* of all our offices is only 39.

Even though Ogilvy & Mather has become one of the twelve biggest agencies, we are still only one third the size of the biggest. We have a potential for growth in all the countries where we now operate, and in other countries as well.

Our concern is to maintain the high quality of advertising that has come to be expected of us. Therefore we will not be opening offices helter-

CLIENTS SERVED IN THREE OR MORE COUNTRIES

	U.S.	CANADA	U.K.	GERMANY	ITALY	AUSTRIA	FRANCE	AUSTRALIA
Air Canada*								
American Express								
Bristol-Myers								
General Foods								
Gillette								
Hertz*								
ICI								
Lever								
Mars								
Mercedes-Benz								
Rowntree								
Schweppes								
Shell Chemical								
Shell								
U.S. Travel Service*								

*These clients are served in many additional countries throughout the world through associated agencies.

skelter around the world. Our expansion will be deliberate; we want to be the best—wherever we are. Easier said than done.

Ogilvy & Mather is dedicated to six purposes:

1. To serve our clients more effectively than any other agency.
2. To earn an increased profit every year.
3. To maintain high ethical standards.
4. To run the agency with a sense of competitive urgency.
5. To make Ogilvy & Mather the most exciting agency to work in.
6. To earn the respect of the community.

We cling to the belief that great advertising is born of a marriage of objective research and creative inspiration. And to another basic belief—that the measure of great advertising is not the attention it attracts to itself, but the sales it produces for the product.

We see an expanding future for agencies that can serve international accounts superbly well. We find mounting evidence that the advertising and marketing strategies that work in one country work in others. We believe that, increasingly, international advertisers will benefit from concentrating their advertising in international agencies that can provide campaigns which cut across national boundaries. We have had striking success in doing this.

Ogilvy & Mather has a highly diverse roster of distinguished clients, which adds to our stability and growth potential. We are proud of our clients; on pages 19, 20 and 21 we list them, as well as the fine products we advertise for them. We commend them to you.

David Ogilvy Donald Atkins
Chairman Vice-Chairman

April 7, 1969



Schweppes, London
British Poster Design Award



American Express, New York
Diploma Winner, Cork Film Festival. Selected for exhibition by the American Institute of Graphic Arts and the Art Directors Show.



International Paper, New York
Winner, award for distinguished advertising in the public interest, Saturday Review. Winner, Silver Press, 6th European Rizzoli Awards.

Television Commercials



Lufthansa, Frankfurt



General Foods, New York



Shell, New York



Shell, Frankfurt



Bass, Charington; London



Sears, Roebuck; New York



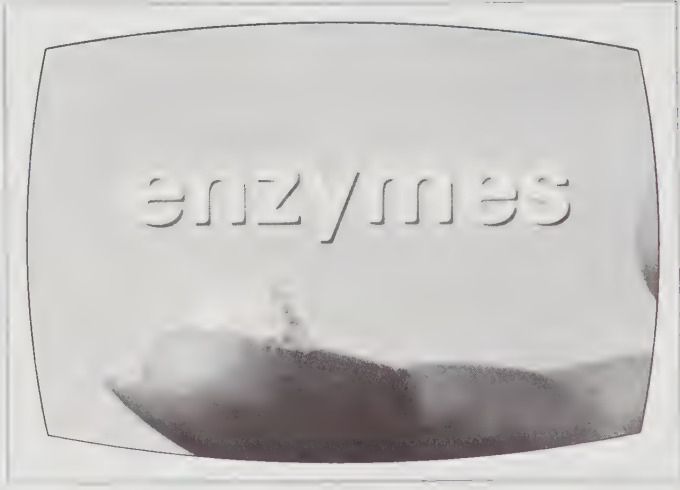
National Dairy Council, London



General Foods, New York



Lever Brothers, New York



Lever Brothers, Toronto



British Egg Marketing Board, London



Unilever, Frankfurt



Con Edison, New York



Gillette, Frankfurt



Rowntree, Melbourne



Michaels/Stern, New York



Rowntree, Toronto



Rowntree, London



Bristol-Myers, New York



Bristol-Myers, Toronto



Nationwide Insurance, New York



Bristol-Myers, New York



General Foods, New York



General Foods, Toronto



Sears, Roebuck; New York



Shell Chemical, New York



Puerto Rico, New York



Drackett, New York



Mars/Puppy Palace, New York



ICI, London

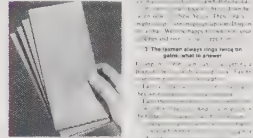
Magazine and Newspaper Advertisements

Let us be your Investment Information Center in New York City

Merrill Lynch suggests 6 fair and reasonable ways for stockholders to reduce their Federal Income Tax

Now is the time to take stock of your "paper" profits and losses. You may be able to cut your taxes substantially by the action you take in the next 90 or 120 months -- and that's particularly important with this year's new tax surcharge. Scan these six ways to save 100 dollars -- including one that may reduce your liability next year. These tips appear in Merrill Lynch's free 12-page "Investor's Tax Guide," with more ways to save, plus handy work sheets to simplify your arithmetic.

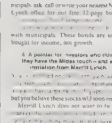
Most of us are not aware of the fact that we can reduce our taxes by the action we take in the next 90 or 120 months -- and that's particularly important with this year's new tax surcharge. Scan these six ways to save 100 dollars -- including one that may reduce your liability next year. These tips appear in Merrill Lynch's free 12-page "Investor's Tax Guide," with more ways to save, plus handy work sheets to simplify your arithmetic.



1. **Use capital gains tax.** If you have a capital gain, you can elect to pay capital gains tax instead of ordinary income tax. This can save you 10% on gains over \$1,000. If you have a capital loss, you can deduct it from your capital gains. If you have a capital gain and a capital loss, you can offset the gain with the loss. This can save you 10% on the gain. If you have a capital gain and a capital loss, you can offset the gain with the loss. This can save you 10% on the gain.



2. **Use the 10% surcharge.** If you have a capital gain, you can elect to pay capital gains tax instead of ordinary income tax. This can save you 10% on gains over \$1,000. If you have a capital loss, you can deduct it from your capital gains. If you have a capital gain and a capital loss, you can offset the gain with the loss. This can save you 10% on the gain. If you have a capital gain and a capital loss, you can offset the gain with the loss. This can save you 10% on the gain.



3. **Use the 10% surcharge.** If you have a capital gain, you can elect to pay capital gains tax instead of ordinary income tax. This can save you 10% on gains over \$1,000. If you have a capital loss, you can deduct it from your capital gains. If you have a capital gain and a capital loss, you can offset the gain with the loss. This can save you 10% on the gain. If you have a capital gain and a capital loss, you can offset the gain with the loss. This can save you 10% on the gain.



Puerto Rican Rums, New York



Gillette Eve of Roma, New York

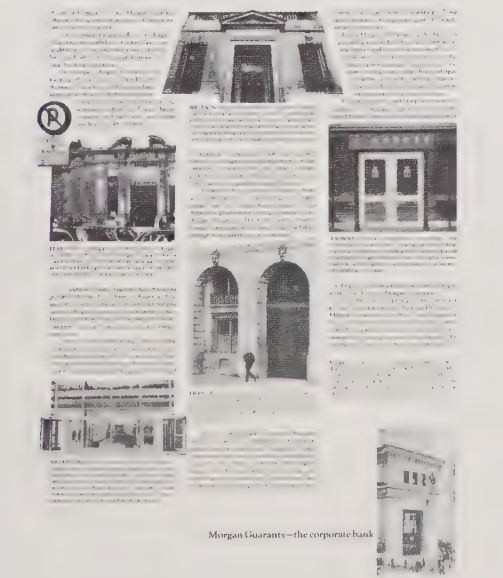
MERRILL LYNCH, PIERCE, FENNER & SMITH INC.

FREE 12-PAGE BROCHURE
The Merrill Lynch Tax Guide, 1971 Edition, is a 12-page brochure that contains six ways to save 100 dollars -- including one that may reduce your liability next year. These tips appear in Merrill Lynch's free 12-page "Investor's Tax Guide," with more ways to save, plus handy work sheets to simplify your arithmetic.

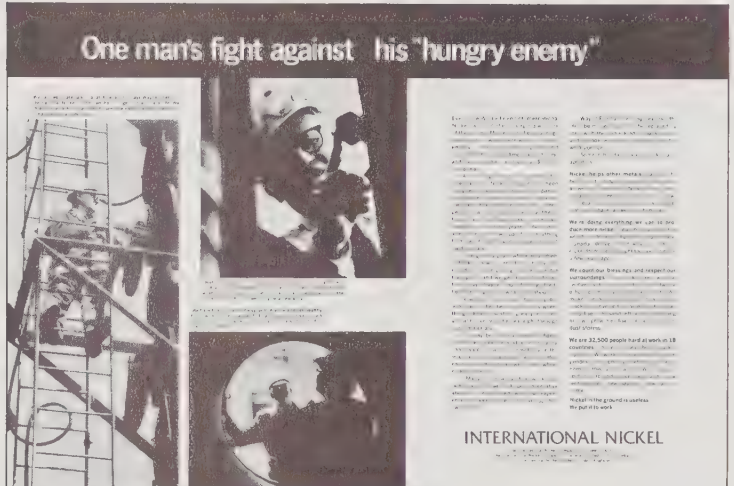
Name _____
Address _____
City _____ State _____ Zip _____

Merrill Lynch, New York

A demand deposit with Morgan Guaranty opens doors around the world



Morgan Guaranty, New York



International Nickel, New York



British Travel Association, New York



Gas Council, London



Tea Council, London



Zippo, New York



IBM, New York



Air Canada, London



Campbell Soup, Toronto



Pepperidge Farm, New York



Hertz International, New York



British Board of Trade, London



Wasa, Frankfurt



Looking for work? Meet your competition.

To get a good job, get a good education.

Advertising Council, New York

[illegible]

Massey-Ferguson, London

*The fun starts sooner when
you start Europe*

in Surprising Amsterdam!

Fly there with the people who live
there - reuse KLM Twice as many flights
as any other airline

KLM, New York



... e, per chi non ha tempo di perdere, un'occasione unica per acquistare il nuovo
 ... e, per chi non ha tempo di perdere, un'occasione unica per acquistare il nuovo
 ... e, per chi non ha tempo di perdere, un'occasione unica per acquistare il nuovo
 ... e, per chi non ha tempo di perdere, un'occasione unica per acquistare il nuovo

'Crimplene'
 ...follemente libera

... e, per chi non ha tempo di perdere, un'occasione unica per acquistare il nuovo

ICI, Milan

New! Cottlee's Jellies with fresh fruit taste

Free! Freshen up any meal with a burst of taste. Just mix, taste & eat it up!

©1993 Cottlee's Food Products, Ltd. All Rights Reserved

General Foods, Melbourne

Shell, Vienna

Hathaway, New York

Surgeons:

These four faces tell you
almost everything
about **BAND-AID Clear Tape**

1. **Surgeon's technique:** A surgeon can use BAND-AID Clear Tape to hold sutures in place. It's gentle on the skin and doesn't irritate. It's also waterproof.

2. **Surgeon's technique:** A surgeon can use BAND-AID Clear Tape to hold sutures in place. It's gentle on the skin and doesn't irritate. It's also waterproof.

3. **Surgeon's technique:** A surgeon can use BAND-AID Clear Tape to hold sutures in place. It's gentle on the skin and doesn't irritate. It's also waterproof.

4. **Surgeon's technique:** A surgeon can use BAND-AID Clear Tape to hold sutures in place. It's gentle on the skin and doesn't irritate. It's also waterproof.

Johnson & Johnson
a division of
the Johnson & Johnson Family of Companies
New Brunswick, N.J.

Johnson & Johnson, Toronto

Ogilvy & Mather Clients and Their Products

New York

AMERICAN EXPRESS COMPANY
 BRISTOL-MYERS
 Ban, Dry Ban, Ammens, NoDoz, new products
 BRITISH TRAVEL ASSOCIATION
 CAMPBELL SOUP COMPANY
 Pepperidge Farm products, new products
 COMMONWEALTH OF PUERTO RICO
 CONSOLIDATED EDISON COMPANY
 THE DRACKETT COMPANY
 Drano, Behold, delete, Whistle, new products
 GENERAL CIGAR COMPANY
 Robt. Burns Cigars, new products
 GENERAL FOODS
 Maxwell House Coffee, Instant Maxwell
 House Coffee, Maxim, Max-Pax, Good
 Seasons Salad Dressing, Shake 'n Bake, Prime,
 Open Pit, Start, Great Shakes, Gaines Meal,
 new products
 THE GILLETTE COMPANY
 COLTON
 Eve of Roma cosmetics, new products
 C. F. HATHAWAY
 Men's shirts
 HERSHEY FOODS CORPORATION
 Chocolate and Confectionery Division
 HERTZ INTERNATIONAL
 Car and truck rental
 INTERNATIONAL BUSINESS
 MACHINES
 Corporate, Recruitment
 INTERNATIONAL NICKEL COMPANY
 Corporate, Trade
 INTERNATIONAL PAPER COMPANY
 KLM ROYAL DUTCH AIRLINES
 LEVER BROTHERS
 Dove, Lucky Whip, Imperial, Diet Imperial,
 Dove-for-Dishes, Super Stripe, Final Touch,
 Twice as Nice, new products
 MARS INCORPORATED
 UNCLE BEN'S
 New product
 PUPPY PALACE ENTERPRISES

MERCEDES-BENZ of NORTH AMERICA
 MERRILL LYNCH, PIERCE, FENNER
 & SMITH
 MICHAELS/STERN
 Men's Wear
 MORGAN GUARANTY TRUST
 COMPANY of NEW YORK
 NATIONWIDE INSURANCE
 COMPANIES
 OWENS-CORNING FIBERGLAS
 SCHWEPPES (U.S.A.)
 Tonic, Bitter Lemon, Bitter Orange, Ginger
 Ale, Ginger Beer, Club Soda, Cocktail Mixers
 SEARS, ROEBUCK & CO.
 Corporate, Major Appliances, Home Fashions,
 "Neatnik" Perma Prest, Junior Fashions
 SHELL CHEMICAL COMPANY
 SHELL OIL COMPANY
 Gasoline and other automotive products
 and services
 STEUBEN GLASS
 UNITED STATES TRAVEL SERVICE
 ZIPPO MANUFACTURING COMPANY

London

AIR CANADA
 AMERICAN EXPRESS
 BASS, CHARRINGTON
 Worthington Beers
 BRITISH EGG MARKETING BOARD
 BRITISH RAIL
 Eastern and Western Regions
 Motorail
 BRITISH TURKEY FEDERATION
 CENTRAL OFFICE OF INFORMATION
 British Government Export Advertising
 DORNAY FOODS
 Dine creamed potato mix, Yeoman Squeak
 potato fry-up
 FINDLATER MACKIE TODD
 Wines and spirits

FISONS
 Corporate
 GAS COUNCIL
 Heating, cooking and refrigeration
 GILLETTE SAFETY RAZOR COMPANY
 Foamy, Spruce,
 Techmatic, Papermate, Tempo
 HERTZ INTERNATIONAL
 Car and truck rental
 HP SAUCE
 Sauces and baked beans, new products
 IMPERIAL CHEMICAL INDUSTRIES
 Corporate and divisional publicity
 ICI FIBRES
 Terylene, Crimplene, Ulstron, Bri-Nylon
 LEA & PERRINS
 Worcester Sauce
 MASSEY-FERGUSON
 Farm and construction machinery
 NATIONAL DAIRY COUNCIL
 (and eight other Statutory Boards)
 THE OBSERVER
 Newspaper and colour magazine
 OMEGA WATCH COMPANY
 PETFOODS (Mars)
 Bounce, Mick
 JOHN PLAYER & SONS
 Medium Navy Cut, Gold Leaf, No. 6, No. 10
 cigarettes, Finos cigars, Sherwood and
 Digger tobaccos
 RANKS HOVIS McDOUGALL
 New products
 RECKITT & SONS
 Wonderset hair spray
 REDIFFUSION
 TV and radio sales and rentals
 REDITUNE
 Taped music
 RONSON PRODUCTS
 Lighters

(continued on page 20)

London (continued)

ROWNTREE

Aero, Biscuits, Blue Riband biscuits, Caramel V, Sun Pat nuts and peanut butter, new products

J. SAINSBURY

SCHWEP Tonic, Bitter Lemon, American Dry Ginger Ale, Dry Cider Ale, Soda Water, Lemonade Shandy, Jellies, Marmalades, new products

SHELL INTERNATIONAL PETROLEUM COMPANY
Corporate

SHELL MOTOR OIL
Shell Petroleum other automotive products

TEACOR

UNILEVER BATHING PRODUCTS
Cannons, Bubbles

LEVER BROTHERS & ASSOCIATES
Blast, Sani-White, Vigor, Jif household cleaners, new products

SILCOCK LEVER FEEDS
Animal

VAN DER BEEKS
Spray, Detergent, Crisp 'n' Dry cooking

YAWFORDS
Yogurt, new products

UNITED BAKING
Bostik adhesive

UNITED STATES TRAVEL SERVICE

Frankfurt

A.T.G. TOOL WORKS
Corporate tools, household appliances

ALGAFIL ALPENMILCH
Alte baby food

AMERICAN EXPRESS

CARSTEN SEKT
Champagne

DEUTSCHE LUFTHANSA
Corporate passenger and freight

DEUTSCHE TELEKOM
All products and services

DEUTSCHE SHELL CHEMIE

Chemical products, Vapona Strip Insecticide

DIREKTSERVICE FLY AND DRIVE

Co-operation Lufthansa and Hertz

EFFEM (Mars)

Pal dog food
Kitekat cat food
New product

FRANKFURTER BANK

GILLETTE ROTHBUCHNER
Gillette razor blades, safety razors, Technomatic razors, Rotbart blades, Dippity-Dou

HERTZ INTERNATIONAL

Car and truck rental

MACKINTOSH

Rolo Candy, Quality Street candy

MERCEDES-BENZ

OUTSPAN ORGANISATION

Oranges, grapefruit

REEMTSMA

Juno cigarettes

SCHWEPPES

Tonic, Bitter Lemon, Ginger Ale

UNILEVER

ELIDA
New product

MARGARINE-UNION

Becel margarine, Palmin cooking fat, Palmin Spezial cooking fat, Sanella margarine

SUNLIGHT

Bio-Luzil pre-washing powder, Vigor spray cleaner

UNITED STATES TRAVEL SERVICE

WASA

Rye King crisp bread

Toronto

AMERICAN EXPRESS

BUTLER MANUFACTURING COMPANY

BRISTOL-MYERS

Ban, Excedrin, Fact, Score, Softique, Vitalis, Flair, Whistle

CAMPBELL SOUP COMPANY

Heat-processed soup, Franco-American, Pepperidge Farm, Swanson, V-8

CANADIAN INTERNATIONAL PAPER

EAGLE NORTH-RITE

(Division of Berol Corporation of Canada)
Writing instruments

GENERAL FOODS

Gaines Professional Services Plan, Gaines Meal, Gravy Train, Jell-O Instant Pudding, Jell-O Pudding and Pie Fillings, Minute Rice, Kool-Aid, Sun-Up, Top Choice, Yuban Coffee, new products

C. E. HATHAWAY

Men's shirts

HERTZ INTERNATIONAL

Car and truck rental

HUSKY MANUFACTURING

Injection moulding machines

IMPERIAL FURNITURE

JOHNSON & JOHNSON

Carefree*, J-Cloth*, Modess*, Hospital and Industrial Products Divisions, New products

KNAPE & VOGT

Builder and Hardware products

LEVER BROTHERS

"all", Dishwasher "all", Amaze, Dove, Dove Liquid, Good Luck, Imperial, Lucky Whip, Lypsyl, Omo, Solo, Surf, Swan, Wisk

LONDON LIFE INSURANCE

MEAD JOHNSON NUTRITIONALS

Metrecal, Pablum, new products

MERCEDES-BENZ

MOFFATS

Major appliances

RITE PAPER PRODUCTS

ROWNTREE

Aero, Black Magic, Coffee Crisp, Dairy Box, Jelly Tots, Kit Kat, Mackintosh's Creamy Toffee, Smarties, new products

ORTHO PHARMACEUTICALS

SCHWEPPES POWELL LIMITED

Bitter Lemon, Bitter Orange, Club Soda, Ginger Ale, Ginger Beer, Tonic

SHELL CANADA

Gasoline and other automotive products and services, agricultural and industrial chemicals

SHEPHERD CASTERS

H. B. SHERMAN MANUFACTURING

Lawn sprinklers

* Trademarks of Johnson & Johnson and affiliated companies.

TRADERS GROUP

ZIPPO

Melbourne

AMERICAN EXPRESS

BRISTOL-MYERS

Clairol, Dräno, Windex, Excedrin, Ban, Softique, new products

BROKEN HILL PROPRIETARY CO.
Construction Engineering, Packaging, and Appliance Products

CYCLAX
Cosmetics

F&T INDUSTRIES

Footwear, Clothing & Furnishing, Plastics & Rubber, Floorcoverings, Non-Woven, Wool, Distributors

GENERAL FOODS

COTTEE'S GENERAL FOODS
Conserves and Marmalades, Fruit Spreads, Jelly Crystals, Instant Puddings, Cordials, Fruit Cordial Extracts, Dessert Toppings, Dessert Sauces, Peanut Butter, Shake 'n' Crumb, new products

GOLLIN

Daniel Crawford Scotch Whisky

HARVEST FOODS

Leggo's Tomato Paste

HERTZ INTERNATIONAL

Car and truck rental

ICIANZ

Alkali & Chemical Group (part only)

MASSEY-FERGUSON

Agricultural and industrial equipment

MEAD JOHNSON

Enfamil, Metrecal

MILDARA WINES

Table Wines, Fortified Wines, Brandy

PLUMROSE

Canned Foods

ROWNTREE

Aero, Fruit Pastilles, Jelly Tots, Smarties, Coffee Crisp, KitKat, new products

SHELL CHEMICAL

Rural and Industrial Chemicals, Plastics, Shelltox Pest Strips

UNILEVER

LEVER & KITCHEN

New product assignments

REXONA

New product assignments

ROSELLA FOODS

Canned Soups, Flora Margarine

UNITED STATES TRAVEL SERVICE

Paris

AIR CANADA

AMERICAN EXPRESS

HERTZ INTERNATIONAL

Car and truck rental

ICI

INTERNATIONAL PULP SALES

SCHWEPPE

Douglas Scotch Ale

UNITED STATES TRAVEL SERVICE

Vienna

AIR CANADA

AMERICAN EXPRESS

DONAU CHEMIE

Fertilizer

DONAU-RENO

Fertilizer

GERNGROSS

Chain of department stores

GKN BIRFIELD OVERSEAS

VERTRIEBSGESELLSCHAFT

Automotive industry products

HERRBURGER U. RHOMBERG

Bed linen

HERTZ INTERNATIONAL

Car and truck rental

MARS LIMITED

Confectionery, Petfoods, Uncle Ben's Rice

SIEMENS ELECTROGERAETE

GES.M.B.H.

SIEMENS

All household appliances

CONSTRUCTA

Washing machines, dishwashers

SINGER SEWING MACHINE COMP.

SHELL AUSTRIA AG.

Automotive, chemical, industrial market (all products)

WIENER STAEDTISCHE

Life insurance

YARDLEY INTERNATIONAL LTD.

Cosmetics

Milan

AIR CANADA

AMERICAN EXPRESS

BANCA MORGAN VONWILLER

Morgan Guaranty Trust

CENTRALE DEL LATTE DI MILANO

Fresh milk, fresh cream and other dairy products

CIPRIANI

Hotel group

ESTASIS

Furniture

EVITAL

Eve of Roma cosmetics, new products

W. & A. GILBEY

"Black Prince" whisky

G. S. D.

Underwater swimming equipment

HERTZ INTERNATIONAL

Car and truck rental

ICI (Europa) Fibres

Bri-Nylon, Terylene, Crimplene, Tultrim

MERRILL LYNCH, PIERCE, FENNER & SMITH

3M MINNESOTA ITALIA

PRODOTTI ALIMENTARI

INTERNAZIONALI

"PAI" potato crisp, new products

SIDOL

"Scotch Brite" scourer-pad

SIS

Cavallino Rosso brandy, Orso Bruno 'grappa', vodka Moskovskaia and other spirit drinks

TIGULLIO

Basil sauce, mayonnaise and other sauces

UNITED STATES TRAVEL SERVICE

Ogilvy & Mather International Inc.

Consolidated Statement of Income and Retained Earnings

For the years ended December 31, 1968 and 1967

	<u>1968</u>	<u>1967</u>
GROSS BILLINGS TO CLIENTS	<u>\$205,254,489</u>	<u>\$179,209,499</u>
INCOME		
Fee and commission income	\$ 32,041,509	\$ 28,804,161
Other income, net	362,810	288,587
	<u>32,404,319</u>	<u>29,092,748</u>
EXPENSES		
Salaries and other employee benefits	19,623,599	17,774,885
Office and general expenses	7,678,069	7,409,948
Depreciation and amortization	498,072	459,681
Interest expense	95,290	107,169
Minority interest (Note 1)	49,562	33,136
	<u>27,944,592</u>	<u>25,784,819</u>
INCOME BEFORE TAXES ON INCOME	<u>4,459,727</u>	<u>3,307,929</u>
Provision for taxes on income (Note 2)		
United States	1,773,000	1,135,836
Foreign	660,635	582,322
	<u>2,433,635</u>	<u>1,718,158</u>
INCOME BEFORE EXTRAORDINARY CHARGE	2,026,092	1,589,771
EXTRAORDINARY CHARGE from devaluation of British pound		253,019
NET INCOME	<u>2,026,092</u>	<u>1,336,752</u>
RETAINED EARNINGS, BEGINNING OF YEAR	4,502,415	3,683,771
	<u>6,528,507</u>	<u>5,020,523</u>
Dividends paid	545,180	518,108
RETAINED EARNINGS, END OF YEAR	<u>\$ 5,983,327</u>	<u>\$ 4,502,415</u>
PER SHARE OF COMMON STOCK:		
Income before extraordinary charge*	\$1.86	\$1.46
Extraordinary charge*		.23
Net income*	<u>\$1.86</u>	<u>\$1.23</u>
Dividends	<u>\$.50</u>	<u>\$.47 1/2</u>

*Based on weighted average number of shares outstanding during the respective years.

Ogilvy & Mather International Inc.

Consolidated Balance Sheet

	December 31,	
	1968	1967
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,035,225	\$ 1,749,592
Marketable securities, at cost		
which approximates market	4,014,975	1,135,256
Accounts receivable	19,538,999	17,535,380
Expenditures billable to clients	2,865,078	2,058,855
Other current assets	702,610	551,557
Total current assets	29,156,887	23,030,640
FIXED ASSETS, at cost		
Furniture, fixtures and equipment	3,121,666	2,923,091
Leasehold improvements	1,727,387	1,537,064
	4,849,053	4,460,155
Less—Accumulated depreciation and amortization	2,275,158	1,992,206
	2,573,895	2,467,949
EXCESS OF INVESTMENT IN CONSOLIDATED COMPANY OVER NET ASSETS ACQUIRED	525,763	525,763
DEFERRED CHARGES AND OTHER ASSETS, less amortization	272,336	283,248
	<u>\$ 32,528,881</u>	<u>\$ 26,307,600</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 19,486,328	\$ 15,588,275
United States and foreign income taxes	1,480,474	1,156,150
Contributions payable to profit-sharing plans (Note 5)	919,673	795,055
Bank loans	690,746	457,919
Total current liabilities	22,577,221	17,997,399
15-YEAR 6 PERCENT DEBENTURES (NOTE 3)	811,000	811,000
RETIREMENT AND SEVERANCE RESERVES (NOTE 5)	563,250	412,481
MINORITY INTEREST (NOTE 1)	33,025	31,977
STOCKHOLDERS' EQUITY (NOTES 3 AND 4)		
Common stock, \$2 par value—Authorized		
1,400,000 shares; issued 1,091,601 shares	2,183,202	2,183,202
Paid-in surplus	399,803	399,803
Retained earnings	5,983,327	4,502,415
	8,566,332	7,085,420
Less—Treasury stock, at cost—		
1,250 shares—1968; 1,750 shares—1967	21,947	30,677
	8,544,385	7,054,743
	<u>\$ 32,528,881</u>	<u>\$ 26,307,600</u>

Ogilvy & Mather International Inc.

Distribution of Net Assets, Gross Billings and Operating Income of Operating Agencies

December 31, 1968

	United States	United Kingdom, Continental Europe, Canada and Australia
NET ASSETS		
Current assets	\$ 17,630,678	\$11,769,083
Current liabilities	(13,868,094)	(9,171,458)
Other assets, net	1,563,001	756,278
Net assets	<u>\$ 5,325,585*</u>	<u>\$ 3,353,903</u>
GROSS BILLINGS TO CLIENTS	\$138,425,010	\$66,829,479
OPERATING INCOME	\$ 1,681,507*	\$ 504,286

*Exclusive of net liabilities of \$135,103 and \$159,701 loss of the parent holding company.

Notes to Consolidated Financial Statements

Note 1—Principles of Consolidation:

The consolidated financial statements include the accounts of the Company and all subsidiary companies including an 80% owned German agency. Foreign currency accounts have been translated into U.S. dollars at appropriate current and historical rates of exchange.

See "Distribution of Net Assets, Gross Billings and Operating Income of Operating Agencies" appearing above.

Note 2—Income Taxes:

No provision has been made for U.S. and foreign taxes which would be payable upon remittance of foreign subsidiaries' retained earnings to the parent Company; no such distribution is contemplated since these retained earnings are needed for working capital requirements and all dividends from subsidiaries are paid out of current earnings of the respective companies.

Note 3—Debentures and Earnings Available for Dividends:

The 15-year 6% debentures are payable in five annual installments beginning December 31, 1975; commencing January 1, 1970, the Company has the right to redeem all or a part of these obligations at par plus various premiums. Under the terms of the debentures, certain restrictions are placed on the payment of cash dividends; at December 31, 1968, approximately \$5,375,000 of consolidated retained earnings was not restricted.

Note 4—Stock Options:

On May 9, 1968, the shareholders ratified the Company's 1968 Stock Option Plan under which options for 50,000 shares of common stock were authorized to be granted.

During the year, options to purchase 52,500 shares of common stock were granted under the Company's Stock Option Plans at prices of \$16.375 and \$20.75 per share, equal to 100 percent of the market value on the dates of grant. Options for 2,650 shares were cancelled and at December 31, 1968, 10,400 shares of the 125,000 shares authorized by the two Plans remained available for grant.

Options are exercisable beginning one year from the date of grant on a cumulative annual basis at the rate of 25 percent of the total number of shares under option. During 1968 no options were exercised, and at December 31, 1968 options for a total of 28,750 shares were exercisable.

No options may be granted under the 1966 Plan after March 31, 1971, and under the 1968 Plan after April 30, 1973.

Note 5—Pension and Profit Sharing Plans:

The German agency has a retirement plan under which unfunded provisions based on actuarial calculations are made to provide for anticipated pension obligations including prior service costs over the service life of eligible employees. Under the British company's contributory plan, annuities are purchased from an insurance company to provide for the annual increment in earned benefits of plan participants. Vested benefits of each plan are more than covered by book reserves and fund assets, respectively. Aggregate costs of these plans amounted to \$213,197 (\$242,260 in 1967). No other subsidiaries of the Company have pension plans.

The aggregate cost of contributions to profit sharing trust funds of the United

States and Canadian operating subsidiaries amounted to \$919,673 (\$795,055 in 1967).

Note 6—Commitments:

Approximate annual rentals under leases in effect on premises occupied by the Company's operating subsidiaries were as follows:

1969	\$1,486,000
1970	1,452,000
1971	1,325,000
1972	1,324,000
1973	1,300,000

Total lease commitments extending beyond 1973 amounted to approximately \$2,427,000 for terms ending through 1980, approximately half of which is applicable to space leased for offices of the Company's United States subsidiary.

The Company has the right of first refusal on the 20% minority interest in Heumann, Ogilvy & Mather should the owner offer it for sale.

To the Board of Directors
and Stockholders of
Ogilvy & Mather International Inc.

60 Broad Street
New York, New York

In our opinion, the accompanying consolidated balance sheet and related consolidated statement of income and retained earnings present fairly the financial position of Ogilvy & Mather International Inc. and its subsidiaries at December 31, 1968 and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

March 5, 1969

PRICE WATERHOUSE & CO.

Directors and Officers

Chairman and Chief Executive	David Ogilvy Creative Director O&M New York
Vice-Chairman	Donald Atkins Chairman O&M London
	James Benson Managing Director O&M London
	Henry P. Bernhard Managing Director HO&M Frankfurt
	John Elliott, Jr. Chairman O&M New York
	James R. Heekin, Jr. President O&M New York
	Andrew G. Kershaw Chairman O&M Toronto
	William E. Phillips Senior Vice-President O&M New York
	A. A. Ross Deputy Managing Director O&M London

Treasurer	Shelby H. Page
Secretary	Stanley Pigott
Assistant Treasurer	John Nettleton

